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Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

Algeria:* draft resolution

Follow-up to the International Conference on Financing for Development

The General Assembly,

Recalling the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008, and its resolutions 56/210 B of 9 July 2002, 57/250, 57/272 and 57/273 of 20 December 2002, 57/270 B of 23 June 2003, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005, 61/191 of 20 December 2006, 62/187 of 19 December 2007, 63/239 of 24 December 2008, 64/193 of 21 December 2009, 65/145 and 65/146 of 20 December 2010 and 66/191 of 22 December 2011, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006, 2007/30 of 27 July 2007, 2008/14 of 24 July 2008, 2009/30 of 31 July 2009, 2010/26 of 23 July 2010, 2011/38 of 28 July 2011 and 2012/31 of 27 July 2012,

Recalling also the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,[1]

Recalling further the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals and its outcome document,[2]

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] Resolution 63/303, annex.

[2] Resolution 65/1.

Please recycle

Taking note of the summary by the President of the General Assembly of the fifth High-level Dialogue on Financing for Development, held in New York on 7 and 8 December 2011,[3]

Taking note also of the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 12 and 13 March 2012,[4]

Taking note further of the summary of the special event during the fiftieth session of the Commission on Social Development, on the financing of social development, held on 3 February 2012,

Taking note of the special event on innovative mechanisms of financing for development, held on 12 July 2012, during the substantive session of 2012 of the Economic and Social Council,

Taking note also of the report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development,[5]

Taking note further of the report of the Secretary-General on modalities of the financing for development follow-up process,[6]

Taking note of the report of the Secretary-General on innovative mechanisms of financing for development,[7]

Expressing deep concern about the ongoing world financial and economic crisis, as well as the current sovereign debt crises in Europe, and their adverse impact on developing countries, cognizant that the global economy is entering a challenging new phase with significant downside risks, including the turbulence in global financial markets and widespread fiscal strains, which threaten the global economic recovery, and stressing the need to continue to address long-standing systemic fragilities and imbalances and the need for continuing efforts to resolve the systemic problems facing the global economy, including through the full accomplishment of the reform of the international financial system, its architecture and governance,

Stressing the urgent need to reinforce the follow-up mechanisms of financing for development through the holding of a follow-up conference and the establishment of a commission on financing for development as a subsidiary body of the Economic and Social Council,

Reaffirming the recognition, as contained in the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want",[8] of the need for significant mobilization of resources from a variety of sources and the effective use of financing, in order to give strong support to developing countries in their efforts to promote sustainable development, including

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[3] A/66/678.
[4] A/67/81-E/2012/62.
[5] A/67/339.
[6] A/67/353.
[7] A/66/334.
[8] Resolution 66/288, annex.

through actions undertaken in accordance with the outcome document of the Conference and for achieving sustainable development goals,

Stressing the need to reinforce coherence and coordination and to avoid duplication of efforts with regard to the financing for development follow-up process,

1. *Reaffirms* the Monterrey Consensus of the International Conference on Financing for Development[9] in its entirety, its integrity and its holistic approach, and recalls the resolve to take concrete action to implement the Monterrey Consensus and to address the challenges of financing for development in the spirit of global partnership and solidarity in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

2. *Also reaffirms* that each country has primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable development, and recognizes that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty;

3. *Reaffirms its determination* to advance and strengthen the global partnership for development, including its trade and financial components, as the centrepiece of cooperation in the years ahead, as reaffirmed in the United Nations Millennium Declaration,[10] the Monterrey Consensus,[9] the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[11] the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,[12] the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[1] and the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, entitled "Keeping the promise: united to achieve the Millennium Development Goals";[13]

4. *Recognizes* that the mobilization of financial resources for development is central to the global partnership for development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals, and also recognizes that the mobilization of domestic and international resources and an enabling domestic and international environment are key drivers for development;

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[9] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[10] See resolution 55/2.

[11] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[12] Resolution 63/239, annex.

[13] Resolution 65/1.

5. *Recalls* the resolve of Member States to strengthen technical assistance and enhance technical cooperation and participation in addressing international tax matters;

6. *Expresses deep concern* about the adverse impacts of the ongoing global financial and economic crisis on development, including on the capacity of developing countries to mobilize resources for development, recognizes that there is a need to promote the recovery, and acknowledges that an effective response to the impacts of the crisis requires timely implementation of all development commitments, including existing aid commitments;

7. *Emphasizes* the need for more government action and effective, participatory and democratic global economic governance in order to ensure an appropriate regulation of the market, which promotes the public interest, and in this regard recognizes the need to better regulate financial markets, because of their failure to promote economic stability, in order to ensure the safety of the global financial system and to avoid the mismanagement of market risk;

8. *Recognizes* that a dynamic, inclusive, well-functioning and socially responsible private sector is a valuable instrument for generating economic growth and reducing poverty;

9. *Notes* that foreign direct investment is a major source of financing for development, and in this regard calls upon developed countries to continue to devise source-country measures to encourage and facilitate the flow of foreign direct investment, inter alia, through the provision of export credits and other lending instruments, risk guarantees and business development services; calls upon developing countries to continue their efforts to create a domestic environment conducive to attracting investments by, inter alia, achieving a transparent, stable and predictable investment climate with proper contract enforcement and respect for property rights; and stresses the importance of enhancing efforts to mobilize investment from all sources in human resources and physical, environmental, institutional and social infrastructure;

10. *Reaffirms* that international trade can be an engine for development and sustained economic growth, underlines the need to fully harness its potential in that regard, and stresses the importance of upholding a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly in developing countries;

11. *Stresses* the need to resist all protectionist and distortive measures and tendencies, especially those affecting developing countries, including tariff, non-tariff and other barriers to trade, in particular agricultural subsidies, and to rectify any such measures already taken, recognizes the right of countries to fully utilize their policy space and flexibilities, consistent with their World Trade Organization commitments, and calls upon the World Trade Organization and other relevant bodies, including the United Nations Conference on Trade and Development, to continue monitoring protectionist measures and to assess their impact on developing countries, and in this regard stresses that a balanced, ambitious, comprehensive and development-oriented outcome of the Doha Development Round of multilateral trade negotiations, in fulfilment of its mandate, would be a major step towards overcoming the above-mentioned protectionist measures;

12. *Calls for*, in that regard, an early and successful conclusion of the Doha Round with a balanced, ambitious, comprehensive and development-oriented outcome, which would provide a much-needed impetus to international trade and contribute to economic growth and development;

13. *Underlines* the fact that the fulfilment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance to developing countries by 2015 as well as the target of 0.15 per cent to 0.20 per cent of gross national product for official development assistance to least developed countries, and urges developed countries that have not yet done so to fulfil their commitments for official development assistance to developing countries;

14. *Stresses* the essential role that official development assistance plays in complementing, leveraging and sustaining financing for development in developing countries and in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals;

15. *Reaffirms* the need for new and additional resources, inter alia, short-term liquidity and long-term development financing and grants, to be made available to developing countries to be utilized towards an adequate response to their development priorities;

16. *Underlines* that aid flows to all developing countries should be more effective, sustainable, predictable, concessional and conditionality-free, including aid flows to the most vulnerable and least developed countries, and those to adequately support the efforts of middle-income countries and low-income countries to tackle their specific development challenges;

17. *Encourages* developed countries to allocate new and additional resources to assist developing countries in coping with the consequences of the crisis, including through concessional and grant-based financing, debt relief and debt restructuring, agreements between debtors and creditors on temporary debt standstills, and enhanced technical assistance and capacity-building in debt management, negotiation and renegotiation, in order to achieve and maintain debt sustainability;

18. *Recalls* its decision, to establish, and looks forward to the implementation of, an intergovernmental process to assess financing needs, consider the effectiveness, consistency and synergies of existing instruments and frameworks and evaluate additional initiatives, with a view to preparing a report proposing options on an effective sustainable development financing strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives, in accordance with paragraph 255 of its resolution 66/288;

19. *Considers* that innovative mechanisms of financing can make a positive contribution towards assisting developing countries in mobilizing additional resources for financing for development on a voluntary basis and that such financing should supplement and not be a substitute for traditional sources of financing;

20. *Emphasizes* the special importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries for promoting their economic growth and development, and in this regard welcomes the special event of the Second Committee on "Sovereign debt crises and restructurings: lessons learned and proposals for debt resolution mechanisms" and encourages the

participant institutions and experts to continue their work on these issues and propose policy options for going forward, as appropriate;

21. *Also emphasizes* that debt sustainability is essential for underpinning growth, underlining in this regard the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals, and acknowledges that sovereign debt crises tend to be costly and disruptive, including for employment and productive investments, and tend to be followed by cuts in public spending, including on health and education, affecting, in particular, the poor and vulnerable;

22. *Stresses* that the financial and economic crisis has highlighted the need for reform as well as added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including on issues related to mandate, scope, governance, responsiveness and development orientation, as appropriate, and in this regard encourages continued open, inclusive and transparent dialogue;

23. *Recognizes* the important role played by special drawing rights allocations in increasing global liquidity and contributing to global stability, equity and economic resilience, decides to undertake urgently further examination of the role of increased allocations of special drawing rights in the expansion of liquidity and the promotion of development, and requests the Secretary-General to prepare and submit, in consultation with Member States, the United Nations system, in particular the Bretton Woods institutions and the United Nations Conference on Trade and Development, a detailed report on concrete actions and proposals on this matter;

24. *Calls upon* all Member States to rely on the United Nations, in the spirit of the financing for development process, as a forum for open, inclusive and transparent dialogue on an equitable international economic and financial system;

25. *Recognizes* the need to continue to enhance the coherence and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness as complements to national development efforts to ensure sustained, inclusive and equitable economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals;

26. *Reaffirms* the importance of ensuring the full participation of developing countries in international economic financial decision-making and norm-setting, takes note in this regard of the important but still insufficient decisions on the reform of the governance structures, quotas and voting rights of the Bretton Woods institutions, and reiterates the importance of a much more ambitious reform process of the governance structure of those institutions and of an accelerated road map for further reforms on the voice, participation and enhanced voting power of developing countries, based on an approach that truly reflects the development mandate and delivers more effective, credible, accountable and legitimate institutions;

27. *Also reaffirms* that the United Nations funds and programmes and the regional commissions, and the specialized agencies of the United Nations system, in accordance with their respective mandates, have an important role to play in advancing development and protecting development gains, in accordance with national strategies and priorities, including progress towards achieving the Millennium Development Goals, and further reaffirms its determination to continue

to take steps for a strong, well-coordinated, coherent, effective and efficient United Nations system in support of the Goals;

28. *Further reaffirms* the need to further intensify the engagement of regional commissions in the financing for development follow-up process, including through the provision of technical advice and analyses to be made available to Member States;

29. *Reiterates* the importance of ensuring a strengthened and more effective intergovernmental inclusive process for carrying out the financing for development follow-up;

30. *Also reiterates* that the modalities of the financing for development process should be reviewed and explored, including detailed options regarding possible arrangements to strengthen the process;

31. *Decides* to establish the Commission on Financing for Development, in accordance with the provisions set out in paragraph 30 of its resolution 65/145, and in this regard requests the President of the General Assembly to hold informal, inclusive consultations, with the participation of Member States, on the modalities and working methods of such a functional commission, taking into account the report of the Secretary-General on modalities of the financing for development follow-up process,[6] to be concluded by the end of its sixty-seventh session;

32. *Requests* the Economic and Social Council, at its substantive session of 2013, to contribute to the consultations undertaken by the General Assembly on the establishment of the Commission on Financing for Development as a subsidiary body of the Council, including through the holding of thematic debates;

33. *Recalls* its decision, in accordance with paragraph 90 of the Doha Declaration on Financing for Development, to consider the need to hold a follow-up financing for development conference by 2013, and also its decision to hold informal consultations with a view to taking a final decision on the need for such a conference by 2013, and looks forward to the successful conclusion of these consultations;

34. *Recognizes* the work of the Financing for Development Office of the Department of Economic and Social Affairs of the Secretariat, and encourages the Office, in collaboration with experts from the public and private sectors, academia and civil society, to continue its work in accordance with its mandate;

35. *Reiterates its appeal* to Member States and other potential donors to consider contributing generously to the Trust Fund for the Follow-up to the International Conference on Financing for Development, which would facilitate the implementation of a strengthened and more effective intergovernmental inclusive process for carrying out the financing for development follow-up;

36. *Decides* to include in the provisional agenda of its sixty-eighth session the item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference", and requests the Secretary-General to submit, under the item, an annual analytical assessment of the status of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and of the present resolution, which is to be prepared in full collaboration with the major institutional stakeholders.